

MINUTES
REGULAR MEETING OF THE SANDPOINT CITY COUNCIL
October 18, 2017

OPENING Mayor Rognstad called the regular meeting of the City Council to order at 5:30 p.m. on Wednesday, October 18, 2017, in the Council chambers at City Hall, 1123 Lake Street.

ROLL CALL Council members Ruehle, Aitken, Snedden, Camp, Williamson and Eddy were present.

PLEDGE OF ALLEGIANCE Mayor Rognstad led the Council and the public in the pledge of allegiance to the flag.

Councilman Snedden moved that City Council approve amending the agenda by adding an executive session pursuant to Idaho Code § 74-206(c) to acquire an interest in real property which is not owned by a public agency. **Councilman Aitken seconded the motion.**

A roll call vote resulted as follows:

Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes

The motion passed by a unanimous vote of Council.

ANNOUNCEMENTS

Mayor Rognstad thanked Joe Tate for his willingness to continue serving on the Sustainability Committee.

City Administrator Jennifer Stapleton announced that Phase I of the sewer replacement project on First Avenue was completed yesterday ahead of schedule. Phase II of this project will start at Church Street and extend to Cedar Street on First Avenue, beginning late summer or early fall next year. She recognized the Sandpoint Fire Department, as they were very busy yesterday responding to several fires due to extreme winds. City staff is on pace with launching financial information online through OpenGov. Public information will be launched on October 31st.

Planning and Economic Development Director Aaron Qualls announced that through the collaboration of the Cities of Dover, Ponderay, Kootenai and Sandpoint, the Idaho Transportation Department and local schools, the Highway 200 Corridor Strategic Plan received the Best Community Plan Award.

Councilwoman Ruehle announced that work to address the erosion issue within the City's watershed was completed last week by the Montana Conservation Corp, a project that was organized by the Pend Oreille Pedalers. They were able to obtain additional funding through a grant for signage. There will be finishing touches made on the trail next spring.

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CONSENT CALENDAR

Councilman Snedden moved that items A-1 through D-3 be approved. **Councilwoman Williamson seconded the motion.**

A roll call vote resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Snedden	Yes
Councilman Camp	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

A MINUTES

A-1 City Council regular minutes of October 4, 2017

A-2 Historic Preservation Commission minutes of August 15, 2017

A-3 Urban Renewal Board minutes of September 5, 2017

B Bills in the total amount of \$1,455,086.64; \$957,308.22 for regular payables and \$497,778.42 for payroll.

C CONFIRM APPOINTMENTS TO CITY COMMISSIONS, ADVISORY COMMITTEES, AND BOARDS

C-1 Joe Tate, Sustainability Committee, October 31, 2017 – October 31, 2018

D RESOLUTIONS

D-1 **Resolution No. 17-70** – Bald Mountain Transmitter Site Lease Renewal to U.S. Forest Service

D-2 **Resolution No. 17-71** – Fair Housing Resolution

D-3 **Resolution No. 17-72** – Snow Removal Equipment Rental Bid and Contract 2017-2018

OLD BUSINESS

E. PROPOSED REVISIONS TO SANDPOINT CITY CODE TITLE 3, CHAPTER 12 – SHORT TERM RENTAL OF DWELLING UNITS

Mayor Rognstad announced that public hearings were held on June 21st, July 19th and September 6th. The public hearing was concluded and closed at the September 6th Council meeting, and this agenda item was tabled to this evening's meeting.

Councilman Eddy moved that City Council remove this item from the table. **Councilwoman Williamson seconded the motion.**

A roll call vote of Council resulted as follows:

Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes

MINUTES

Yes

Yes

The motion passed by a unanimous vote of Council.

Planning and Economic Development Director Aaron Qualls noted that staff will soon have an opportunity to utilize a new software service that will help to regulate vacation rentals, as discussed during the budget process. Since the last public hearing, he received two more letters from Westwood residents, who expressed concern about additional vacation rentals within their development. Staff also received several letters from Westwood residents who wanted some allowance for vacation rentals. Whatever decision City Council makes, it may impact other developments that are on the water or that have ten or more units, such as Condo Del Sol and the Driftwood development.

In 2016, State legislators decided that homeowner associations should have no right to determine the length of stay within their developments. The most recent proposed revision in City Code removed the designation of a resort community. It provides another standard that, if a development is located within one quarter mile from the downtown core, it would be required to adhere to the buffer requirement. If the development is located farther than one quarter mile from these boundaries, it would not be required to adhere to the buffer requirement, but short term rentals may be allowed at a ratio of only one per every ten units. Currently, accessory dwelling units have to adhere to the buffer requirement. The intent in allowing accessory dwelling units was to allow for additional long-term rentals. The issue within the community is that long-term rentals are becoming less affordable. If City Council decides that accessory dwelling units are not required to adhere to the 300-foot buffer requirement, then there are more standards to consider.

Aaron Qualls clarified to **Councilwoman Ruehle** that a planned unit development is included within this section of the code in case a developer wants to go through this process in addition to other standards, but they would have to be approved by City Council. He responded to **Councilman Camp** that the City currently has approximately 150 vacation rentals, with 44 permitted within the residential zones. The other vacation rentals are those located within the commercial zone, and those that are not permitted. National trends reflect that there has been a substantial increase in vacation rentals. He clarified to **Councilwoman Williamson** that, if the resort designation was retained in the code, Westwood would be limited to one vacation rental, and they currently have four. Based on the revised code recently presented, Westwood would be allowed to have seven short term rentals. Any length of stay from two to 30 days is considered a short-term rental. He explained to **Councilwoman Ruehle** that the measurement of a ratio of one per every ten units was based on public input. He told **Councilman Camp** that City staff has received more complaints on long-term rentals. The buffer does not apply to mixed use residential zones. He pointed out that Sand Creek counts as waterfront. City Attorney Scot Campbell replied to **Councilman Snedden** that the 300-foot buffer was based on the notification requirement for purposes of zoning. Aaron Qualls added that 300 feet is a common block length in older neighborhoods.

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Clint Frank, Sandpoint resident, stated that vacation rentals are beneficial if they are enforced correctly. He pointed out that the cities of Whitefish, Montana, and Seaside, Oregon, do not have a 300-foot barrier. He felt there are more issues with long-term rentals.

Elana Westphal, Sandpoint resident, raised concern regarding the process to obtain a vacation rental permit. Due to the 300-foot buffer, there is no opportunity to know where vacation rentals are located and no opportunity to be put on a waiting list. She disagreed that a permit should be issued "first come, first served". She felt this issue should be addressed. Aaron Qualls explained that, if a homeowner wanted to rent a room on a short-term basis, it is exempt from the 300-foot buffer. Tracking the buffer is a challenge due to the geographic nature. When the new software is launched, then staff can check on eligibility based on the buffer through the GIS system. There is a security issue if vacations rentals are known to be vacant.

Michael Lucid, Sandpoint resident, stated he owns a vacation rental within a residential zone. He stressed concern that there is not enough enforcement on vacation rentals that are not permitted, and there's an issue on how enforcement will be funded. City Council needs to consider what can be enforceable. He asked how the resort city tax funds are applied. Aaron Qualls responded that the resort city tax applies to lodging, tourism supported activities, SPOT bus, infrastructure and improvements downtown that are impacted by tourism, City parks and public safety.

Kam Majer, Sandpoint resident, said she resides at Westwood. They currently have 75 units and, of the 75 units, there are 16 multi-story units. A majority of their units are single story and share a common wall with their neighbor. She said the proposed revisions are acceptable to Westwood, as they would meet their concerns as a resort designation.

Councilwoman Ruehle moved that Sandpoint City Council, after consideration of the criteria and relevant standards of Idaho Code and Sandpoint City Code APPROVE the proposed amendments to Title 3, Chapter 12 and Title 9, Chapter 4 of Sandpoint City Code.

The reasons for this decision are:

1. Particular consideration has been given to the effects of these proposed changes upon the health, safety and welfare of the residents and the delivery of services by any political subdivision providing public services, including school districts, within the City of Sandpoint.
2. Staff has followed the notice procedures applicable to zone changes contained in Idaho Code 67-6511 and Sandpoint City Code Title 9, Chapter 9.
3. The proposed amendments are in accordance with the goals and policies of the Sandpoint Comprehensive Plan.

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Councilman Camp seconded the motion.

Aaron Qualls clarified to **Councilman Snedden** that, under the recent proposed revisions, accessory dwelling units will not trigger the 300-buffer. **Councilwoman Williamson** commented that there should not be two short term vacation rentals on the same property without one of them as owner occupied or one as a long-term rental. **Councilwoman Ruehle** raised concern allowing a long-term rental in one of the dwellings. **Councilman Eddy** felt accessory dwelling units should adhere to the 300-foot buffer. This would provide more options for affordable housing. **Councilwoman Ruehle** concurred.

Councilman Snedden moved to amend that City Council approve the proposed revision to add 3-12-3-E-1(c) "Such development must be within one quarter of a mile of the downtown core defined as being within the boundaries of First Avenue, Cedar Street, Fifth Avenue and Pine St. Developments located farther than one quarter mile from the downtown core that meet standards E-1-a and E-1-b above shall not be required to adhere to the buffer requirement but may only be allowed short term rentals at a ratio of 1 per 10 units." **Councilwoman Ruehle seconded the motion.**

City Attorney Scot Campbell advised that this proposed revision falls under the realm of regulations of short-term rentals, which does not require another public hearing.

A roll call vote of Council resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

Councilwoman Ruehle moved to amend that City Council approve eliminating 3-12-3-E (4) that reads "Where the vacation rental unit is a permitted accessory dwelling unit. However, a principal dwelling and its associated accessory dwelling unit may not be concurrently permitted for short-term occupancy" but to add the requirement that the accessory dwelling unit or primary residence must be owner occupied. **Councilman Eddy seconded the motion.**

A roll call vote of Council resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	No
Councilman Camp	Yes
Councilman Snedden	No
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a majority of City Council, with Council members Aitken and Snedden dissenting.

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Aaron Qualls confirmed that staff has not received any feedback from multi-unit housing residents other than residential zones regarding the buffer.

A roll call vote of Council resulted as follows to the main motion:

Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes

The motion passed by a unanimous vote of Council.

F. RESOLUTION NO. 17-73 – SNOW REMOVAL POLICY REVISION

Mayor Rognstad announced that a City Council workshop was held on September 20, 2017, to review the proposed revisions to the policy.

Public Works Director Ryan Luttmann noted that, since the workshop, revisions were made in clarifying where cars are allowed to park and deicer was changed to anti-ice. Both of these issues were discussed during the workshop.

Councilwoman Williamson moved that City Council approve the proposed resolution, Snow Removal Policy Revision. **Councilman Snedden seconded the motion.**

A roll call vote of Council resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed unanimously by Council.

G. DOWNTOWN HOLIDAY LIGHTS

City Administrator Jennifer Stapleton said that she was seeking City Council direction on holiday lighting based on the dissolution of the Business Improvement District (BID). The BID has been responsible for downtown lights, although the Parks Department was responsible for lighting in select areas downtown. She said she met with downtown retailers to discuss options for holiday lighting, flowering baskets, criteria on the creation of any potential BID, development of a grant program and the existing balance of the BID funds. This issue will come back to a City Council workshop prior to the end of this year. City staff made a commitment to decorate City-owned property within the downtown core, which is consistent with what the City has done in the past. The City would be responsible for holiday lighting at Jeff Jones Town Square, two trees along Church Street where power units are available adjacent to the City parking lot and Community Hall. She said that she

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and the Parks and Recreation Director are looking at lighting options, such as purchasing LED lights that require less energy, thereby reducing costs, and they can be used for up to three years.

Ms. Stapleton noted that the downtown retailers are planning an event called "Get Lit" to solicit volunteers to help decorate downtown trees. The City has twelve cases of lights that were purchased by the BID. They will be provided to downtown businesses on a first come, first served basis. The City also has an inventory of old lights that would be available to downtown businesses. She said there was discussion regarding Fifth Avenue trees, based on complaints from last year that only the tree trunks were decorated and not the branches. This was due to the number of strands available and power limitations. In Leavenworth, Washington, their holiday lighting is a collaboration between their Chamber of Commerce and downtown businesses. Sandpoint's downtown retailers said they hope to eventually have the same collaboration with the City. She said the City has approximately 16 cases of lights to distribute to downtown businesses. **Councilwoman Williamson** suggested utilizing softer LED lights. Jennifer Stapleton reported that this has been discussed with other cities, and they have identified an LED lighting source that specializes in downtown lights.

NEW BUSINESS

H. PERMANENT ENCROACHMENT FOR LITEHOUSE FOODS

Councilman Eddy moved that City Council approve the recommendation from the Public Works Department to grant the request to install siding and window awnings on the building located at 125 South Second Avenue, which will project into the right of way. **Councilman Snedden seconded the motion.**

A roll call vote of Council resulted as follows:

Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes

The motion passed unanimously by Council.

I. EXECUTIVE SESSION – IDAHO CODE §74-206(1)(c) – TO ACQUIRE AN INTEREST IN REAL PROPERTY WHICH IS NOT OWNED BY A PUBLIC AGENCY

Councilman Aitken moved to convene in an executive session, pursuant to Idaho Code 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency. **Councilwoman Ruehle seconded the motion.**

A roll call vote resulted as follows:

Councilman Aitken	Yes
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Councilman Snedden	Yes
Councilman Camp	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes

The motion passed unanimously by Council present.

Mayor Rognstad called for a recess at 7:00 p.m.

By a unanimous roll call vote of Council, the Council convened in an executive session at 7:05 p.m.

Matters discussed pertained to a funding opportunity to acquire real property. No action was taken, and no decisions were made.

City Council came out of executive session at 7:39 p.m.

ADJOURNMENT The meeting adjourned at 7:39 p.m.

Shelby Rognstad, Mayor

ATTEST:

Maree Peck, City Clerk

MINUTES
SPECIAL MEETING OF THE SANDPOINT CITY COUNCIL
October 20, 2017

OPENING Mayor Rognstad called the special meeting of the City Council to order at 10:00 a.m. on Friday, October 20, 2017, in the Council chambers at City Hall, 1123 Lake Street.

ROLL CALL Council members Ruehle, Aitken, Snedden, Camp, Williamson and Eddy were present.

PLEDGE OF ALLEGIANCE Mayor Rognstad led the Council and the public in the pledge of allegiance to the flag.

RESOLUTION NO. 17-74 – APPROVAL TO APPLY FOR A LOR FOUNDATION GRANT FOR ACQUISITION OF PROPERTY

City Attorney Scot Campbell stated that the City has had a long relationship with the LOR Foundation, which has sponsored other projects for the City, such as Farmin's Landing. He stressed that there is no promise of funding or an offer of a grant, but there are aspects of the property that interests the LOR Foundation. The purpose of this special meeting is to seek approval from City Council to provide the LOR Foundation information they requested in order to start the process, with a deadline of Monday, October 23rd.

Mr. Campbell replied to **Councilman Eddy** that the process is preliminary, with no determination as to whether a match will be required from the City. Grants and Projects Administrator Sean Scoggin referenced the contract the City currently has with the LOR Foundation for the Farmin's Landing concept design project in the amount of \$25,000. There was no match, but there were conditions as to what the City was required to submit with the final project. Scot Campbell confirmed that, if the City does obtain the grant, it would require opening up the budget, and a public hearing will be held. This is an opportunity to start the process. Sean Scoggin added that there's no timeline as to when the official grant submission is due. He explained that this situation is unique, as it's similar to a grant application. The LOR Foundation is requesting the budget amount for the project, what the funds would go toward and the scope of the project. Scot Campbell explained to **Councilwoman Ruehle** that, once we have final terms, conditions and a dollar amount, City Council would have to approve or reject it.

Councilman Eddy moved that City Council approve the proposed resolution, Approval to Apply for a LOR Foundation Grant for Acquisition of Property. **Councilwoman Ruehle seconded the motion.**

Councilman Camp commented that this grant will cost the City to administer, and it will take staff time. The process won't come without a cost. **Councilman Eddy** commented that this property is unique. He felt the City should pursue every avenue in order to preserve and control the future of the property.

A roll call vote of Council resulted as follows:
Councilman Aitken Yes

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Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes

The motion passed by a unanimous vote of Council.

ADJOURNMENT The special meeting adjourned at 10:09 a.m.

Shelby Rognstad, Mayor

ATTEST:

Maree Peck, City Clerk